

## SJ24 Study of Lodging Facility Use Tax - Findings/Recommendations

**FINDINGS** Please Mark "Yes" if you agree as to a Finding or "No" if you disagree.

1 (a) Distribution of tourism grants by the Department of Commerce is uneven across Montana. (b) Related to that, the Department has taken steps to target more money to Eastern Montana, an initiative for which insufficient experience exists to draw conclusions.	Yes	No
2. (a) The tourism industry is of significant importance in Montana and (b) Efforts to promote Montana across seasons and across all rural and urban landscapes and communities is important.		

**RECOMMENDATIONS** Please Mark "Yes" if you agree as to a Recommendation or "No" if you disagree. If there are two choices (recommending vs. legislation, choose the Yes or No to the A or B that you prefer.

If a majority disagree, that recommendation will not be in the report. If vote is a tie, the concept(s) will be mentioned as resulting in a tie.

1 Introduce legislation to allow <u>lodging facility taxes</u> to be collected by sellers rather than owner/operators, which is the current language. A change to seller would collect more money from the short-term rentals not now obligated to collect it (based on a Montana Supreme Court decision). Currently the accommodations tax is collected by "sellers."	Yes	No
2. Introduce legislation (Dept of Revenue has drafted a bill) to combine the lodging facility use tax and the accommodations tax into one tax at some future point. The combination could allow additional options: <ul style="list-style-type: none"><li>○ Revised distribution amounts for both.</li><li>○ Ability of tax collection entities to retain a percentage of both taxes.</li></ul>		
3. Introduce legislation to state that grants under either 15-65-108 or 15-68-820, MCA, cannot be made to for-profit entities.		

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4 A. Recommend that Dept of Commerce rules require a blind review of projects and use of specific criteria to avoid subjective grantmaking. B. Introduce legislation requiring the same.	A	A
	B	B
5. A. Require reports to the Legislature, in case future administrators do not maintain the transparency database that currently lists grants made by the Department of Commerce. B. Introduce legislation to require grants be listed.	A	A
	B	B
6 Recommend the Department of Commerce provide additional guidelines on distribution of grants to assure equity or to decrease the potential for favoritism in making grants to particular areas or events. This may be especially critical given the statutory appropriation that limits legislative oversight.		
7. Require periodic review to see if the tax rate ought to be decreased or increased based on objective criteria.		
8. Create a contingency fund for emergencies affecting the tourism industry.	Yes	No
9. Provide exemptions from the lodging and accommodations taxes for people who are required to stay at hotels as they travel for medical procedures or for their caregivers.		
10. Introduce legislation for a Strategic Marketing Council, to serve in addition to the Tourism Advisory Council, for addressing emerging issues like the pandemic.		
<i>Other</i>		